GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

STARRED QUESTION NO:673
ANSWERED ON:08.05.2003
PURCHASE PREFERENCE POLICY
NANDIPAKU VENKATASWAMY

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether it is proposed to include more products and services of PSUs under the Purchase Preference Policy, so as to give fillip to loss making PSUs;

(b) if so, the details thereof;

(c) the other steps taken / proposed to be taken by the Government to make the said Policy more effective to rejuvenate the loss making PSUs; and

(d) the extent to which the said Policy has achieved its goal?

Answer

MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI BALASAHEB VIKHE PATIL)

(a) to (d) : A statement is laid on the Table of the House.

STATEMENT IN REPLY TO LOK SABHA STARRED QUESTION NO. 673 FOR REPLY ON 8.5.2003 REGARDING PURCHAS PREFERENCE POLICY BY DR. N. VENKATASWAMY.

(a) to (d) : The extant Purchase Preference Policy of the Government is applicable to all products and services of Central Public Sector Undertakings(CPSUs) including the loss making enterprises, where the value of purchase under the Tender/Notice Inviting Tender(NIT) being Rs.5 crore and above. Presently, there is no proposal before the Government to make any changes in the aforesaid Policy. However, emphasis is laid on implementation of this policy and therefore, the matter is followed up vigorously with the concerned organizations. As per available information, 28 central government enterprises including 8 loss making CPSUs and 2 joint ventures of CPSUs have been benefited under the existing purchase preference policy(list is Annexed). However, it is difficult to quantify the net benefits of the purchase preference policy alone in rejuvenating the loss making PSUs as other factors like modernisation of plant and machinery, availability of working capital, business restructuring, marketing strategies, rationalization of manpower etc. also play an important role in this regard.

ANNEXURE TO THE STATEMENT OF REPLY TO THE LOK SABHA STARRED QUESTION NO. 673 FOR REPLY ON 8.5.2003

LIST OF CENTRAL PUBLIC SECTOR UNDERTAKINGS/JOINT VENTURES BENEFITTED DURING FIRST NINE MON 2002-03

Sl. No. Name of CPSU

Central Public Sector Undertakings :

1. Balmer Lawrie & Co. Limited

2. Bengal Chemicals and Pharmaceuticals Limited

3. Bharat Earth Movers Limited

4. Bharat Heavy Electricals Limited

5. Bharat Petroleum Corporation Limited
6. BBJ Construction Co. Limited

7 Bridge & Roof Co. of India Limited

8. Electronic Corporation of India Limited

9. Engineers India Limited
10. Hindustan Aeronautics Limited
11. Hindustan Latex Limited
12. Hindustan Organic Chemicals Limited
13. Hindustan Paper Corporation Limited
14. Hindustan Petroleum Corporation Limited
15. Hindustan Shipyard Limited
16. Hoogly Dock & Port Engineers Limited
17. Indian Iron & Steel Co. Limited
18. Indian Oil Corporation Limited
19. I.B.P. Co. Limited
20. ITI Limited
21. Kochi Refineries Limited
22. Jessop & Co. Limited
23. Rashtriya Chemicals and Fertilizers Limited
24. Richardson & Cruddas Limited
25. South Eastern Coalfields Limited
26. Steel Authority of India Limited

Joint Ventures :

1. Bharat Shell Limited

2. Tide Water Oil Co. Limited